

0101



Canyon Fuel
Company, LLC.
Sufco Mine

A Subsidiary of Arch Western Bituminous Group, LLC.

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November 3, 2006

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RECEIVED

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DIV. OF OIL, GAS & MINING

Incoming
C/O 41/0002
Copy Wayne
Steve F. Jee,
Mary Ann, Susan
Pete

Re: East Fork of Box Canyon Video Taping, Canyon Fuel Company, LLC, SUFCO Mine,
C/041/0002

Dear Wayne:

I appreciate the time that you and Steve Fluke took out of your busy schedule yesterday to discuss the various issues related to mining in the Pines Tract area of the Sufco Mine. Specifically, I am glad we had an opportunity to discuss the issue of making a second video tape of the East Fork of Box Canyon. As discussed, there are conflicting statements in the approved Sufco Mining and Reclamation Plan (M&RP) concerning the required timing for the creation of the second video tape. Within this letter, Sufco will suggest an answer to the question of why this confusion occurred, describe what the mine is currently doing to monitor the vegetation and stream health, and propose a solution to the confusing text in the M&RP.

The purpose and timing of obtaining an initial and follow-up video tape are discussed in two locations within the text of the approved M&RP and within Appendix 3-10. Chapter 3, Subsection "East Fork of Box Canyon", pages 3-22 through 3-22E and Chapter 5, Subsection "East Fork of Box Canyon Subsidence Monitoring and Mitigation", pages 5-39 and 5-39A contain brief descriptions of why the video would be made and when it should be made. In Chapter 3, starting on page 3-22, the text indicates a video tape will be made of the section of the East Fork of Box that overlies the 3LPE and 4LPE longwall panels in the Fall of 2003. The video will begin at Joes Mill Ponds and terminate at the western gate roads associated with the 3LPE panel. The video survey will include documenting "...the condition of the stream channel paying particular note to surface flows and ground water discharge, vegetation types and conditions, animal species in the area including documenting the absence or presence of macroinvertebrates in the stream channel...". On page 3-22A, the text goes on to state "A video tape will be made of the same portion of the East Fork at the same time of the year on the third year following undermining. A comparison will be made of the two tapes using the

parameters described above and any changes due to mining activities will be noted." The M&RP commits Sufco to submitting the first video in the 2003 Annual report and the second "...will presumably be submitted with the 2006 Annual Report". In Chapter 5, on page 5-39A, the following statement is made: "The survey will consist of video taping the condition of the stream channel paying particular note to surface flows and ground water discharge, vegetation types and conditions, animal life in the area including macroinvertebrates in the stream channel, soil conditions, and the general geomorphology of the area. A follow-up video survey will be made at the same time of year on the third year following undermining. A general comparison between the two tapes will be made to determine what, if any, effects to the parameters described above have occurred." Finally, Appendix 3-10 includes the "Monitoring and Mitigation Plan for Mining Under the East Fork of Box Canyon". This document includes a statement that Sufco will:

- Conduct pre- and post-mining video surveys of the East Fork of Box Canyon stream channel over panels 3LPE and 4LPE. The Permittee must conduct a post-mining survey during September of 2006. This post-mining video survey must apply the same procedures as the video survey conducted September 2003.

Sufco believes that during the time of the writing of the permit and the text in Appendix 3-10 there may have been some confusion regarding the year in which mining in the panels underlying the East Fork of Box Canyon would be complete. Sufco was nearly finished mining through the East Fork section in panel 3LPE at the end of December 2003 (See attached map dated December 29, 2003 titled "East Fork Of Box Canyon Weekly Monitoring"). This would support the intention of filming the second video in 2006, approximately 3 years after mining was through the area. However, the permit and appendix text is also clear the second video was intended to be made after mining in the 4LPE panel was complete. The attached map dated March 21, 2005 and titled "East Fork Of Box Canyon Weekly Monitoring" indicates mining under the upper section of the East Fork of Box Canyon was not completed until middle to late March of 2005. It is probable the writers of the text of the M&RP and the monitoring plan presented in Appendix 3-10 had been concentrating on the timing of the mining of the 3LPE panel and had forgotten the timing for mining of the 4LPE panel. Sufco suggests the appropriate timing for the second video is three years after the undermining of 3LPE and 4LPE. Since the final occurrence of mining took place in March, six months before or after the month of September, it may be appropriate to perform the second video taping in either September 2008 or 2009.

Sufco has performed the required vegetation studies as put forth in Chapter 3 and in Appendix 3-10 in 2003, 2004, 2005 and 2006. This work has been and will continue to be performed by Mt. Nebo Scientific through 2008. Mt. Nebo Scientific has also performed the required macroinvertebrate studies at selected sites within the east Fork of Box Canyon. Petersen

Hydrologic has performed the required water monitoring of the selected sites in the East Fork of Box Canyon as described in Chapters 3 and 7 and Appendix 3-10, first on the bi-weekly schedule followed by the quarterly schedule. Both Mt. Nebo and Petersen have submitted their respective reports detailing their findings to Sufco and the reports have been forwarded to the Division.

As I have read through the text of the report regarding the timing of the filming of the second video, I have concluded the best time to make this second video would be in September 2008. This would correspond with the timing on the potentially last vegetation survey to be performed by Mt. Nebo Scientific and would be about 2.5 years after the 4LPE panel was mined under the East Fork of Box Canyon. This should afford adequate time for the majority of subsidence to have occurred and the impacts of subsidence determined. Sufco is willing and anxious to properly amend the M&RP to reflect this appropriate timing change. It appears a simple change in the text to indicate the year 2008 instead of 2006 for the filming of the second video could be made to Chapters 3 and Appendix 3-10. Making this change should then remove the confusion in the text about when the filming should occur and bring the entire monitoring plan timing more in line with what was intended.

We appreciate your help in this matter. If you have any questions or need additional information, please contact me at (435) 448-2669 or Mike Davis at (435) 286-4421.

Sincerely,



Chris D. Hansen
Environmental Coordinator
Canyon Fuel Company, LLC

attachments

CDH/MLD:kb

cc: DOGM Correspondence File

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